

strength in members.

September 16, 2019

Technical Director
Financial Accounting Standards Board
401 Merritt 7
Norwalk, CT 06856

To Whom It May Concern:

On behalf of the New York Credit Union Association, which has represented both state and federal credit unions for more than 100 years, I am writing this letter in support of the Federal Accounting Standards Board's proposal to delay the effective date of the new Current Expected Credit Loss (CECL) Accounting Standards until January 2023. The delay will help both credit unions and regulators prepare for these important new changes. As you are no doubt aware, many credit unions are small financial institutions with limited staff that are already required to comply with a wide range of new regulations. The Association appreciates any efforts on the part of FASB to make the transition to these new accounting standards easier for our institutions.

Since the FASB started to consider making changes to the accounting standards for expected losses, credit unions have argued that it makes little sense to impose the same accounting standards on both the largest and smallest institutions in the world. A \$10 million credit union does not represent the type of risk, nor should it be expect to have the same accounting framework, as JP Morgan-Chase. This proposal recognizes this common-sense distinction. By staggering the effective date of the new accounting standards, depending on whether or not an entity is a public business as defined by the SEC, small, less sophisticated institutions will get the additional time to assess how best to comply with CECL and anticipate its potential financial impact.

While we welcome the proposed extension, the Association would also like to stress that credit unions remain concerned by the burdens imposed by the CECL Accounting Standards. We continue to urge FASB to consider carving out institutions below a certain asset size. If the FASB is unwilling to take this step, it must use the additional time to provide greater guidance to both financial institutions and their primary regulators as to how the accounting standards should be implemented and interpreted. To its credit, FASB has consistently explained that the way in which institutions will account for expected loan losses can and will vary widely depending on an institution's size and sophistication. The clock is continuing to tick, however, towards the eventual compliance date, and virtually all industry stakeholders remain uncertain as to precisely what steps need to be taken to comply with these new standards.

Thank you very much for your consideration of the Association's views.

Sincerely,



William J. Mellin
President/CEO